

# RESPONSIBLE FISCAL MANAGEMENT

## **FY 2008 Budget Grows Modestly**

- Budget increases only 2.5% over FY 2007 budget
- Lower rate of growth than 9 of the last 10 budgets
- Grows less than Spending Affordability limit of the General Assembly

## **Addressed \$394 Million Budget Challenge**

- Revenue estimates lowered by \$394 million in December
  - Balanced the budget
  - Restrained spending
- Did not raise taxes

## **Saving for the Future**

- Rainy Day Fund Balance will be \$674 million, 5% of General Fund Revenue at the end of FY 2008
- Set aside \$100 million for future retiree health care costs

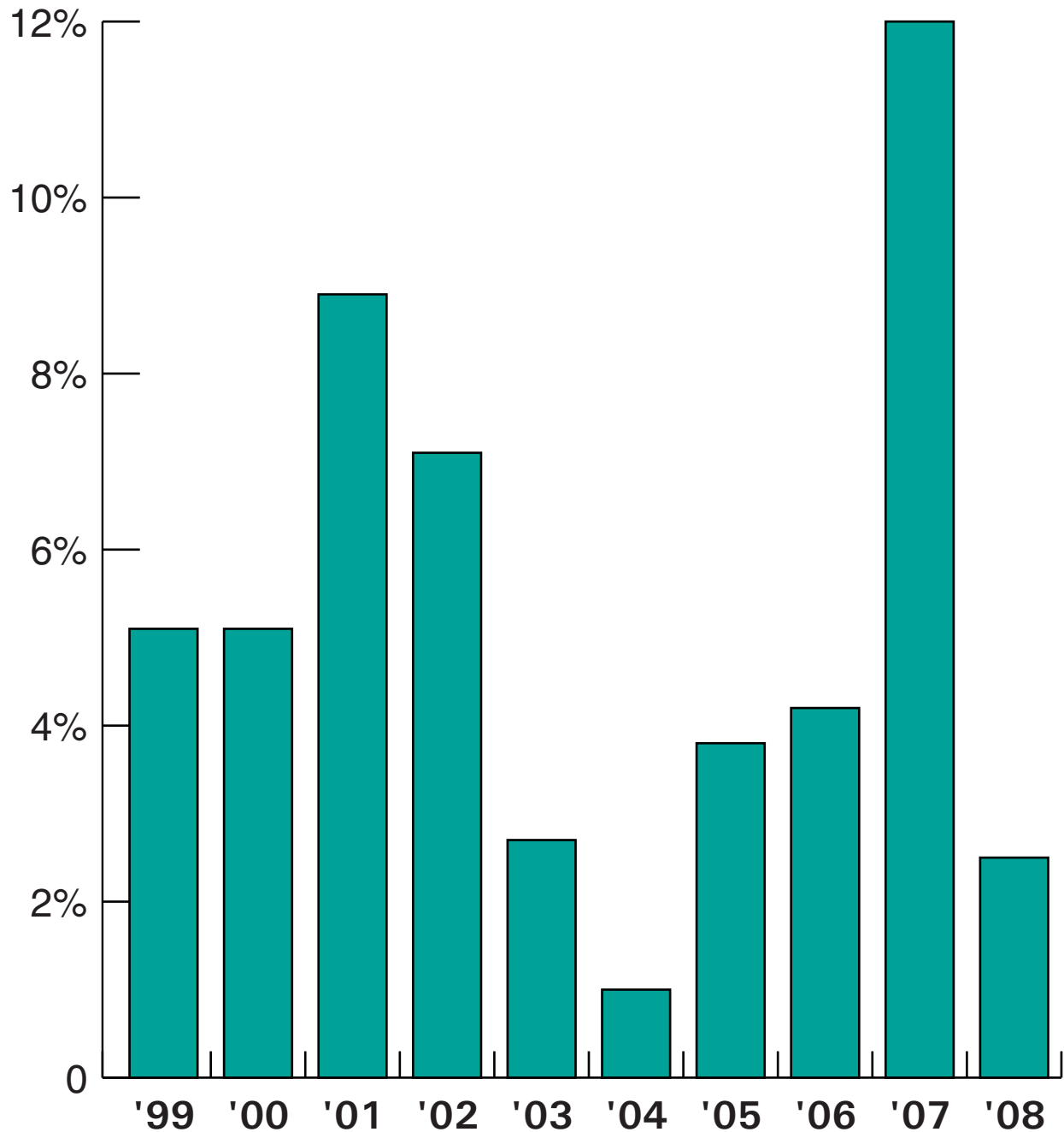
## **Maintaining Resources for Open Space and Transportation**

- Fully funded Open Space & other land preservation programs
- Transportation Trust Fund used only for Transportation

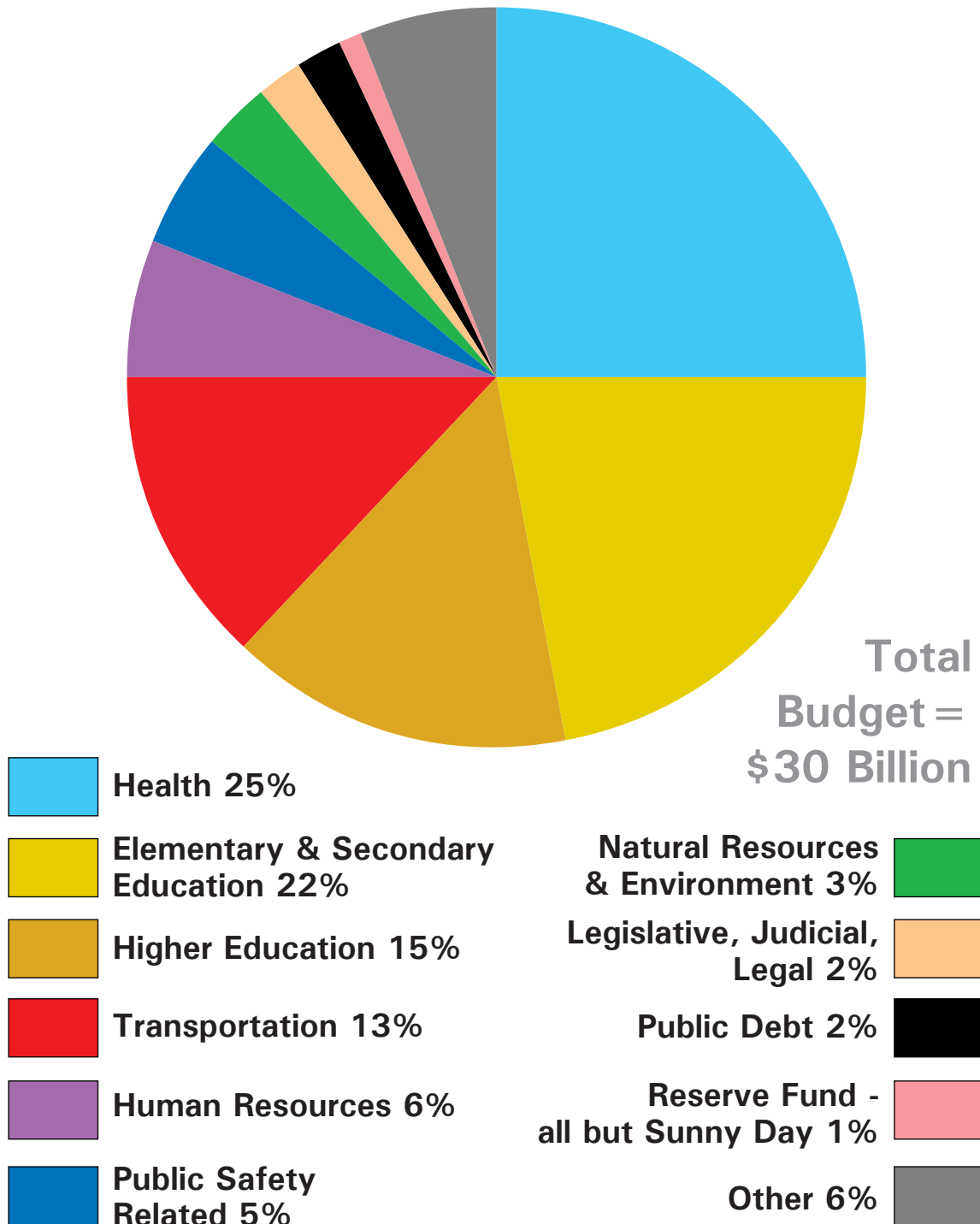
## **Funding Key Priorities**

- |               |                               |
|---------------|-------------------------------|
| ● Education   | ● Public Safety               |
| ● Health      | ● Jobs & Economic Development |
| ● Environment | ● Transportation              |

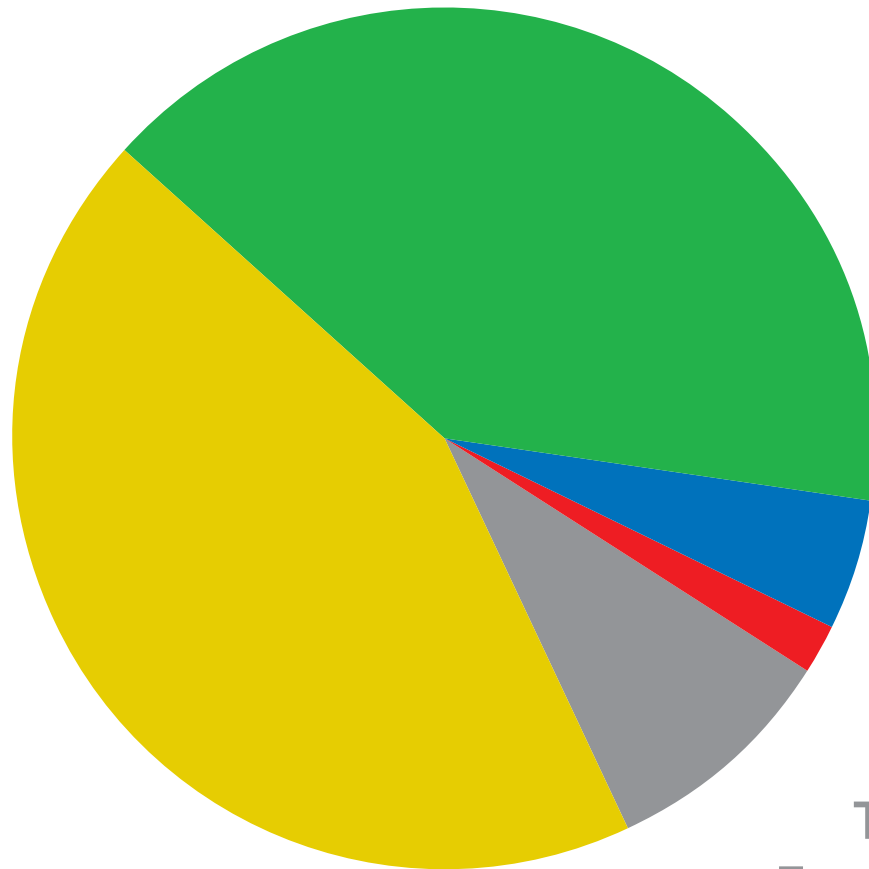
# TOTAL BUDGET GROWTH FY 1999 - FY 2008



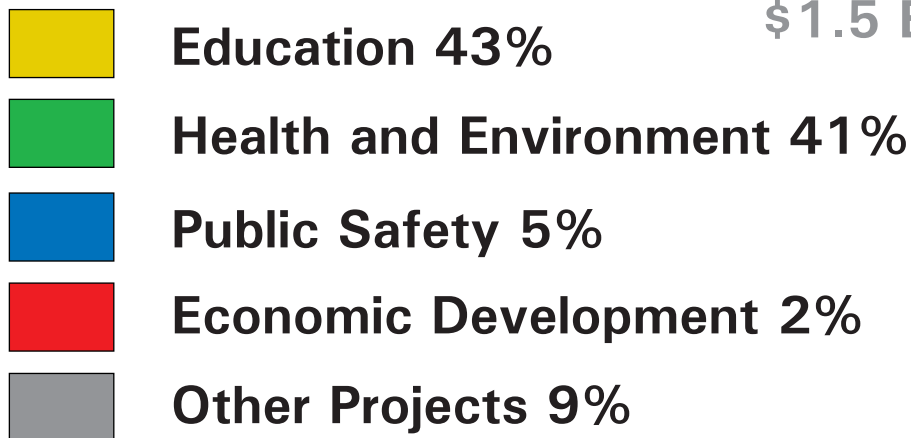
# FY 2008 OPERATING BUDGET



# FY 2008 CAPITAL BUDGET



Total  
Funds =  
\$1.5 Billion \*\*



\* Excludes Department of Transportation  
\*\* Total not adjusted for Deauthorizations

# K-12 EDUCATION

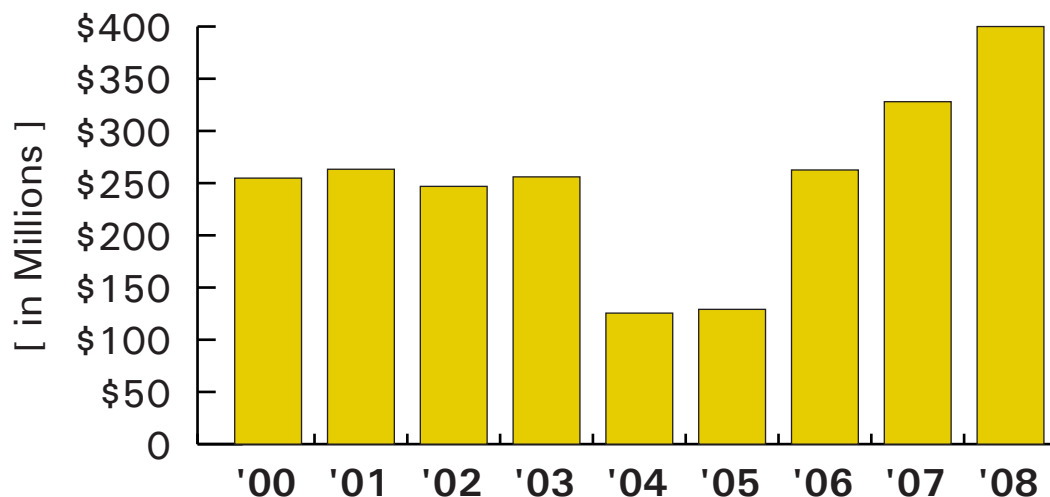
## Increasing aid for K-12 Education to \$5.2 billion

- Funding increases by \$680 million or 15%
- Provides largest increase ever for school aid
- Reflects final year of Thornton Plan phase-in
- Funds teacher pension enhancements

## Committing \$400 million for School Construction - Largest amount ever provided in a single year

- Funds construction of new schools and improvements to existing facilities
- Helps make up deferred investments in school construction
- Exceeds recommendations of the Kopp Commission

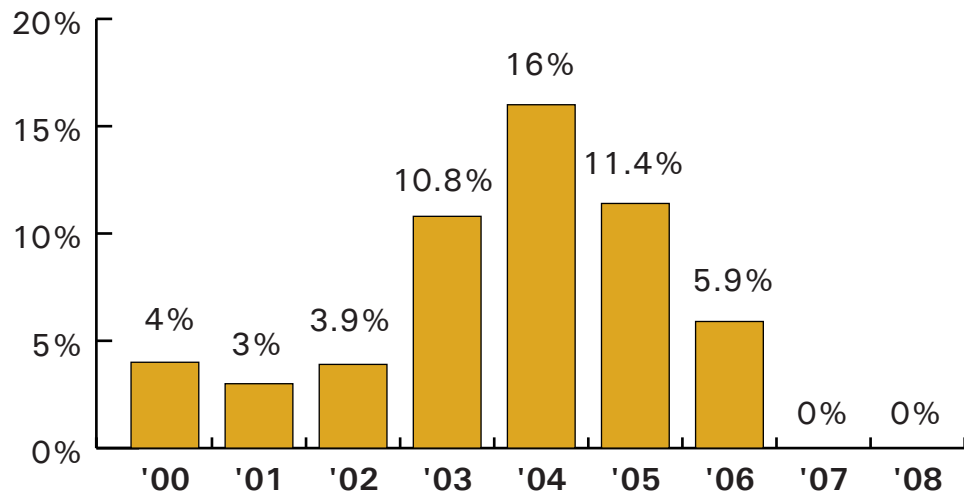
## PUBLIC SCHOOL CONSTRUCTION PROGRAM



# HIGHER EDUCATION

## TUITION INCREASES

University of Maryland, College Park



## Making Higher Education Affordable for Maryland Families

- General Fund support for higher education increases by 8.3%
- Enables an In-State Tuition Freeze at University System of Maryland campuses and at Morgan State University

## Maintaining and Expanding Access to Higher Education

- Includes \$7.3 million to support USM enrollment growth of 1,700 students
- Increases community college funding by \$38 million or 18%.
- Provides \$69 million in capital funding for community colleges, the largest allocation ever

## Ensuring Quality Education Programs and Facilities

- Increases support for the USM's premier research institutions by \$7.4 million
- Expands science, technology, engineering and math programs with an additional \$400K

## Investing in Historically Black Colleges and Universities

- Expands funding and financial aid for HBCUs
- Provides \$109 million in capital funding for Coppin State's new Physical Education Complex
- Increases funding for Morgan State University by \$4.3 M to support new faculty, equipment, and library materials

# **PUBLIC SAFETY**

## **Improving Security at Correctional Facilities**

- \$32.6 million for a new 192-cell medium security housing unit at the Maryland Correctional Training Center in Hagerstown
- \$6.7 million for 155 new correctional officer positions
- \$6.1 million for security camera systems and improved security equipment

## **Enhancing Supervision of Sex Offenders**

- \$1 million to improve monitoring of sexual offenders
- \$984,000 to assist local law enforcement agencies with sex offender registration and community notification

## **Expanding Death Benefits for Public Safety and Military Personnel**

- \$6.3 million for increased death benefits for Public Safety Officers and members of the uniformed military services serving in Afghanistan or Iraq

## **Supporting State Police Activities**

- \$2.3 million for vehicle theft prevention activities
- \$519,000 expands the capacity of the State Police Laboratory to analyze DNA samples
- \$892,000 to purchase new handguns for all State Troopers

## **Enhancing Juvenile Services**

- \$1.3 million for non-residential community-based sex offender treatment
- \$1.1 million to improve behavioral health assessments, substance abuse treatment, and other services

# ENVIRONMENT

## Restoring the Chesapeake Bay

- \$98 million for nutrient removal from wastewater treatment plants
- \$8.8 million for the Cover Crop program, the largest amount ever
- \$6 million to upgrade 500 septic systems
- \$5 million to upgrade 12 sewer systems
- \$5 million for Agricultural Cost-Share Program to support Best Management Practices on Maryland farms

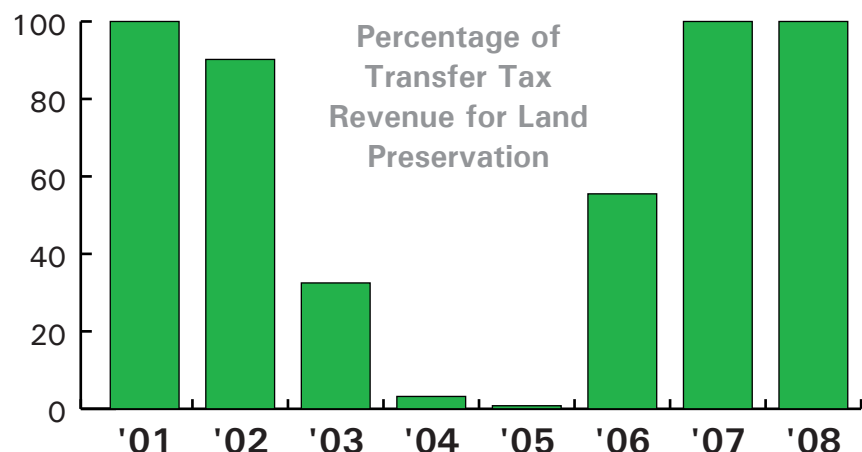
## Fully Funding Open Space and Land Preservation

- \$177 million for Program Open Space
- \$70 million for Agricultural Land Preservation
- \$26 million for Rural Legacy

## Sustaining Agricultural Communities

- \$10 million for Soil Conservation services, a 14% increase
- \$10 million for the Tobacco Transition Program
- \$3 million for the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO)

## RESTORING INVESTMENTS IN LAND PRESERVATION





# HEALTH

## **Expanding funding for Stem Cell research by \$10 million**

### **Serving Seniors and Vulnerable Populations**

- \$14 million for the Senior Prescription Drug Assistance Program to assist 39,000 lower income Medicare beneficiaries with out-of-pocket costs for prescription drugs
- \$7.6 million funds services for 500 developmentally disabled young adults to transition from public school educational programs
- \$6 million restores medical assistance funding for women and children who are legal immigrants
- \$3 million for the Babies Born Healthy Initiative to reduce infant mortality

## **Increasing Drug Abuse Treatment by \$5 million**

### **Strengthening Health Care Provider Systems**

- \$40 million to increase payment rates for physicians participating in the State's Medicaid Program
- \$40 million to improve Maryland's hospitals and community health facilities
- \$25 million to increase rates for providers of community-based services for the mentally ill and developmentally disabled
- Allocates \$9 million for the Nurse Support Program to increase the number of nurses in Maryland

# **TRANSPORTATION**

**Improving our Transportation Infrastructure**

- **\$1 billion for highway projects**
- **\$323 million for Public Transit projects**
- **\$124 million for improvements to the Port of Baltimore**
- **\$119 million for airport projects**

# **JOBS & ECONOMIC GROWTH**

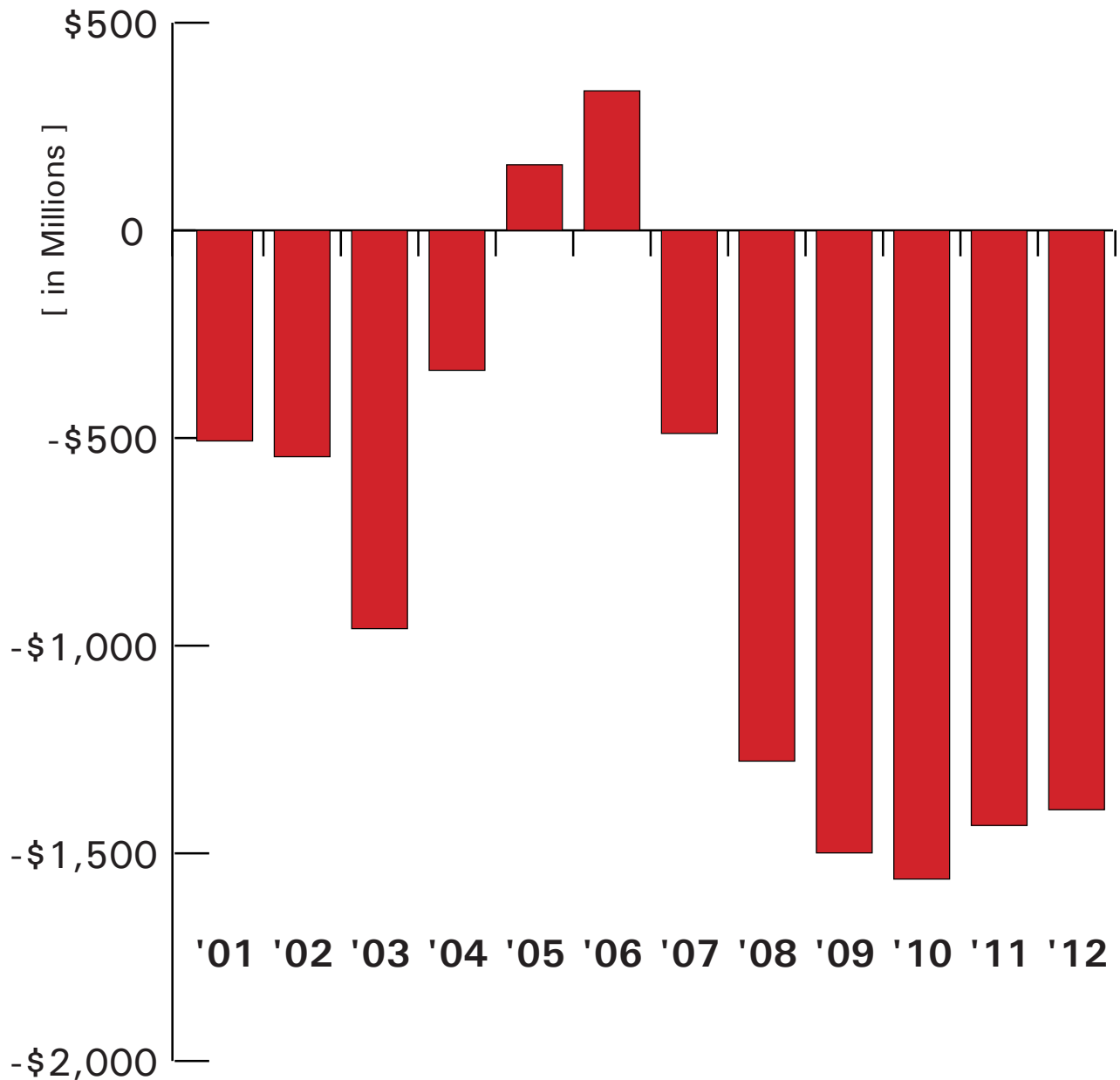
## **Helping Businesses Grow and Create Jobs**

- \$70 million for business development programs, including \$20 million to support small or minority business entrepreneurs
- \$16 million for the Maryland Arts Council, an increase of \$1.2 million or 8% over FY 2007
- \$6 million in capital funding for the Neighborhood Business Redevelopment Program
- \$4 million for Rural Broadband Assistance funding to extend DSL service to 26 Eastern Shore communities, attracting industry and employment opportunities to the region
- \$2 million for the Sunny Day Fund to capitalize on extraordinary economic development opportunities
- \$1 million for the new no-interest business loan program for disabled veterans and military reservists

## **Supporting Technology Development**

- \$5 million for technology transfer/development and for incubator programs
- \$5 million in capital funding for the East Baltimore Biotechnology Park

# ONGOING REVENUES & SPENDING STRUCTURAL GAP



*Source: 2006 Spending Affordability Report*